

IP and IPR key concepts

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What is IP

- IP should be understood as certain kinds of *exclusive rights* to *intellectual capital* and *creations of the mind*; such as inventions, designs, literary and artistic works, and symbols, names and images used in commerce.
- Industrial property rights vs Copyright and related rights

IP is important;

- Increased competition in service and business industries
- Pressure to reduce costs + increase efficiency
- Shorter life-cycle of products
- Stricter regulation (eg: environment)
- Raising customers' expectations for quality

Intellectual Property Rights

Information

- When an IP right is granted, it is surely disclosed, published. Doesn't matter the type of the protection (patent, trademark, utility model etc.), any IP grant can be found in the IP databases.

Protection

- The IP right provides a limited life monopoly, that gives the right to exclude others from the identical line of business. Such monopoly is also a reward for the research and development investments made by the IP right owner.

IP & Innovation

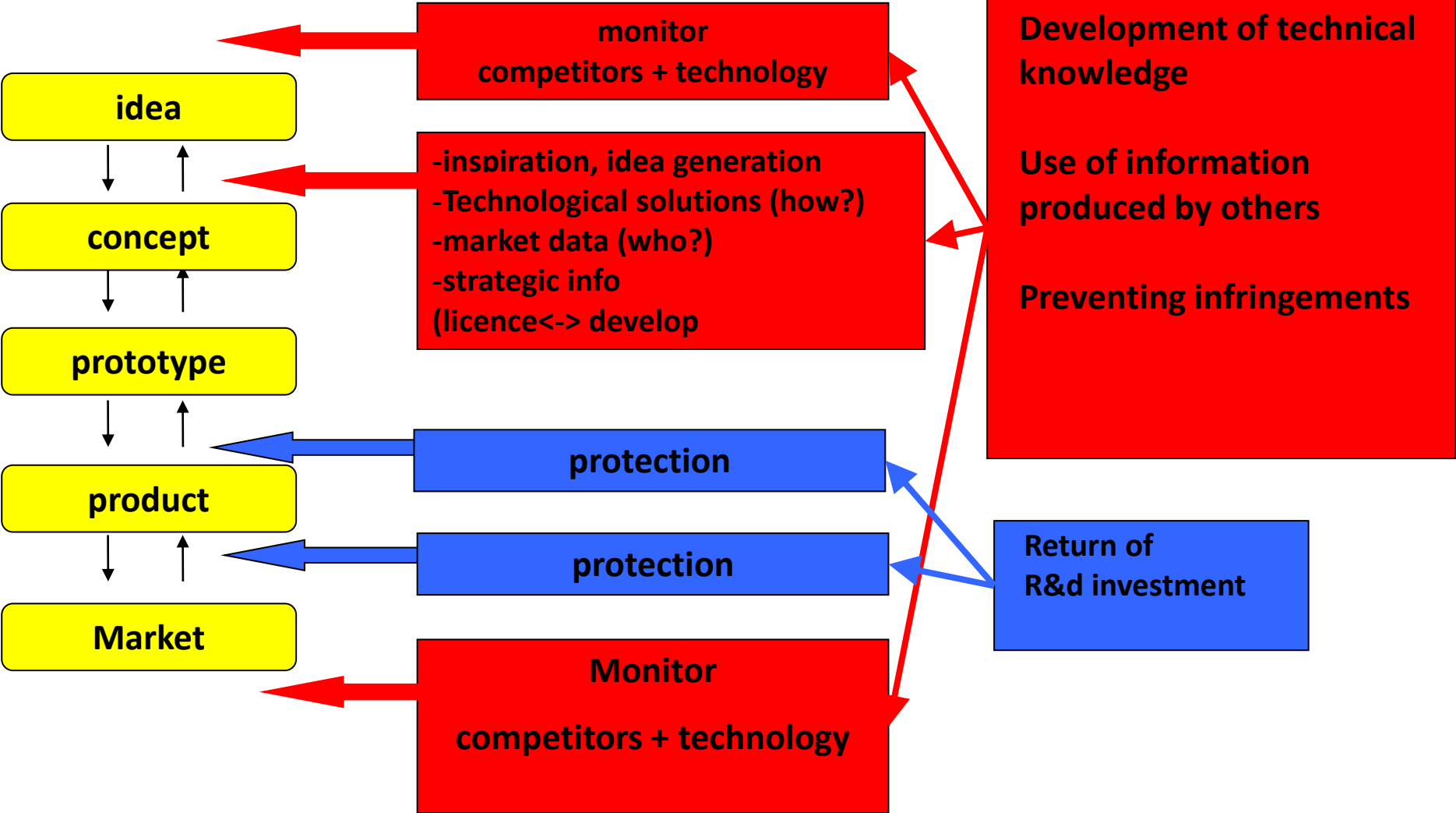
- By providing new or better products/services ... or/at lower prices = INNOVATION
- more attractive ... industrial designs
- better quality ... patents /utility models
- more functionalities ... patents / utility models
- brand reputation ... trademarks
- lower price ... patents
- good after-sale services ... trade secrets
- good marketing strategy ... trade secrets
- copyright

IP in the Innovation Process

Innovation Process

Function

Strategy



Is it always linear?



Key
intangible
assets

Intellectual
Property

Intellectual
Property Rights



Legal tools to support
commercial exploitation

Key IP Legal Concepts

- IP
 - «Rights» concept;
 - «Register» vs «automatically exist - recognised»
 - «Granted right» is right to exclude others, limited legal monopoly
 - Monopoly limitations:
 - Time
 - Scope
 - Territory
 - «Infringement»

Type of IPR	Object of protection	Territorial limitation	Time limitation	Mandatory registration	Degree of protection
Trade secret	Knowledge and Know-how	No	No	No	Low
Patent	Product and process	Yes	Yes 20 years	Yes	High
Trademark	Sign identifying products and services	Yes	Yes 10 years indefinitely renewable	Yes	High
Design	Appearance of an object	Yes	Yes	Yes (except unregistered; i.e Community Design)	High (if registered)
Copyright	Artistic and literary work	No	Yes 70 years after the author's death	No	Low

Patent

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(54) SYSTEM AND METHOD FOR AUTOMATICALLY SETTING UP A UNIVERSAL REMOTE CONTROL
SYSTEM UND VERFAHREN ZUM AUTOMATISCHEN EINRICHTEN EINER UNIVERSELLEN FERNBEDIENUNG
SYSTEME ET PROCEDE PERMETTANT DE REGLER AUTOMATIQUEMENT UNE TELECOMMANDE UNIVERSELLE

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US-A- 6 104 334

EP 1 535 121 B1

Note: Within nine months of the publication of the mention of the grant of the European patent in the European Patent Bulletin, any person may give notice to the European Patent Office of opposition to that patent, in accordance with the Implementing Regulations. Notice of opposition shall not be deemed to have been filed until the opposition fee has been paid. (Art. 99(1) European Patent Convention).

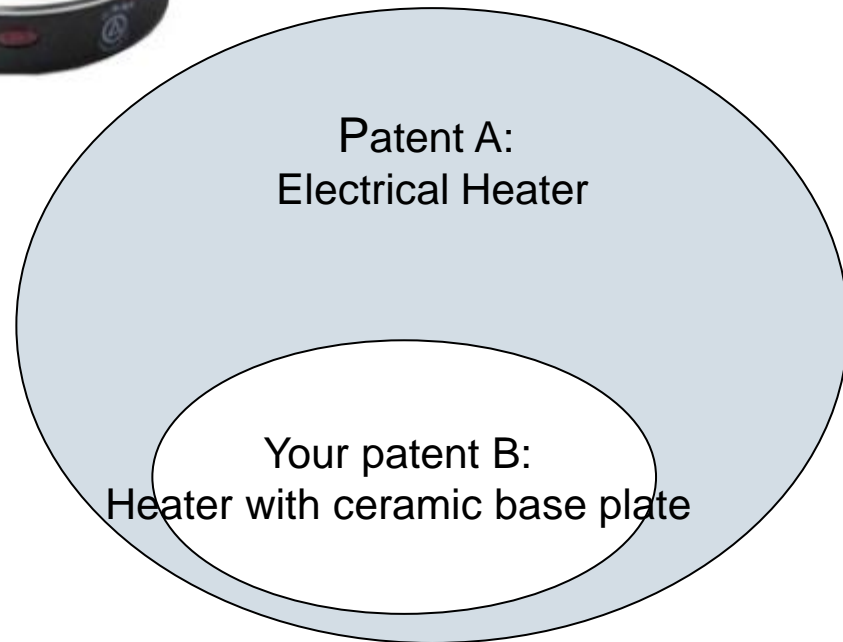
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Granted for inventions.

To be patentable, an invention must fulfil 3 essential criteria:

- Novelty;
- Inventive step; 'NOT OBVIOUS' TO A 'PERSON SKILLED IN THE ART'
- Industrial applicability.

Patent Rights



- The legal rights that accompany a patent are strongly industrial and commercial in nature. They are the right to:
- Use the invention (e.g. to use a process on your own production line)
- Make the invention (manufacture)
- Offer the invention for sale (e.g. advertise)
- Import and store the invention (in to a protected territory)
- Sell the invention (in a protected territory)

<https://www.youtube.com/watch?v=Mq6GDjFW9nl>

Do's and don'ts for safeguarding novelty



Don'ts

- Do not publish any articles, press releases, conference presentations/ posters/ proceedings, lectures or blog posts, etc. before you file
- Do not sell any products incorporating the invention before you file



Do's

- Sign a non-disclosure agreement (NDA)
- Seek professional advice at an early stage
- File before anyone else does!



Utility Model

- Similar to a patent, but usually has a shorter term of exclusivity (in Turkey 10 years). Utility models can be referred to as “petty patents” or “innovation patents”.
- They are available only in certain countries.
- It is presently possible to obtain a utility patent in Turkey.

Top 10 Areas for European Patent Applications - 2020



Trademark

- Trademarks are signs which distinguish the goods and services of one business or company from those of another
- They have the following functions:
 - origin
 - quality
 - advertising
- A trademark can be a name, word, phrase, logo, symbol, design, image, or a combination of these elements. It is also possible to use colour, smell and sound provided there is a way to clearly record them and deposit them with the registration authority. (example: Tarzan yelling [CTM 5090055](#))

Industrial Design

'design' means the *outer appearance* of the whole or of a part of product resulting from features of;

- shape,
- form,
- color,
- lines,
- contours,
- texture or materials

of the product itself or its ornaments.

What is a product?

- Any industrial or handicraft item, including:
 - the parts intended to be assembled into a complex product, packaging, graphic symbols and typographic typefaces,
 - but excluding the computer programs;
- Complex products
 - a product which is composed of multiple components which can be replaced permitting disassembly and reassembly of the product

Copyright

- An intangible type of property granting certain rights to the creator of a work for a limited period of time
- Exclusive rights granted to the author of certain literary or artistic work for a limited period of time to make 'copies' of the work for publication and sale.
- Distinct from the embodiment of the work
- The copyrights can also be assigned to other parties and assignment of copyright is almost automatic for a scientist publishing a scientific paper in a journal or as part of conference proceedings.

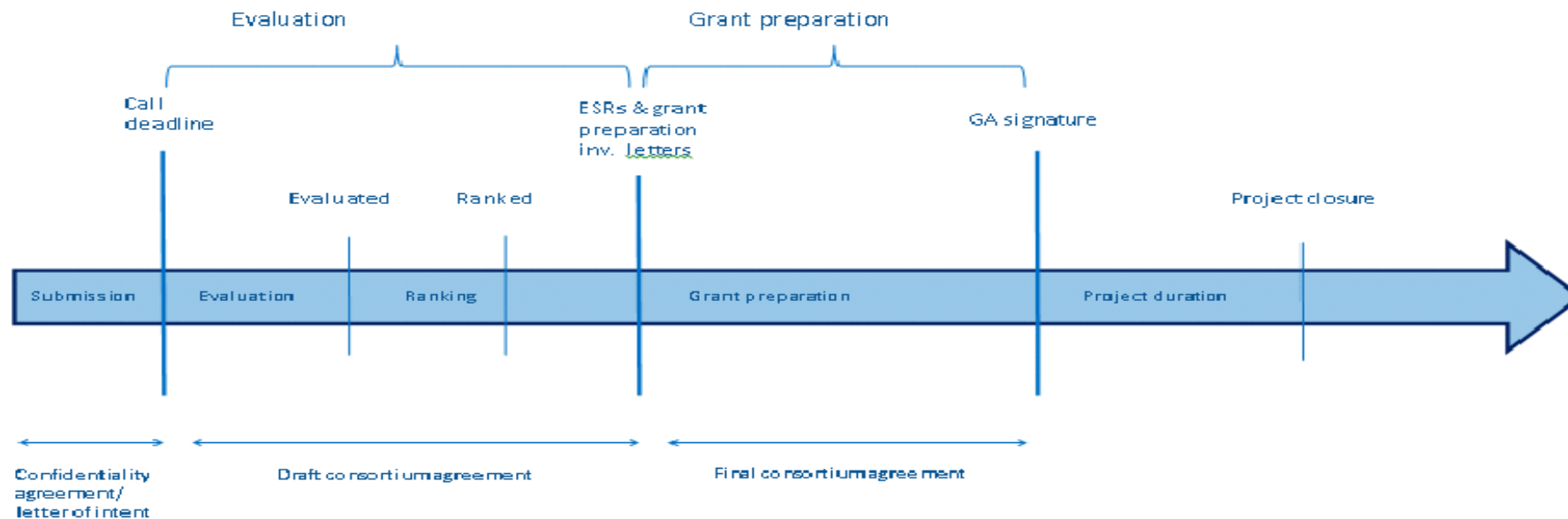
IP Relevant Legal Documentation in H2020

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Consortium Agreement Timeline Diagram

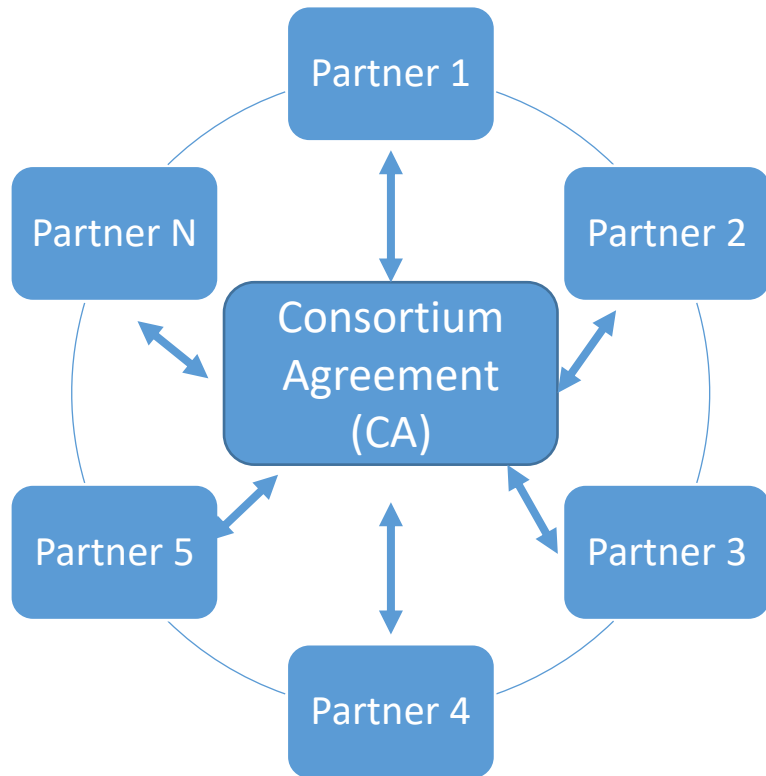


European Commission:
How to draw up your H2020 consortium agreement

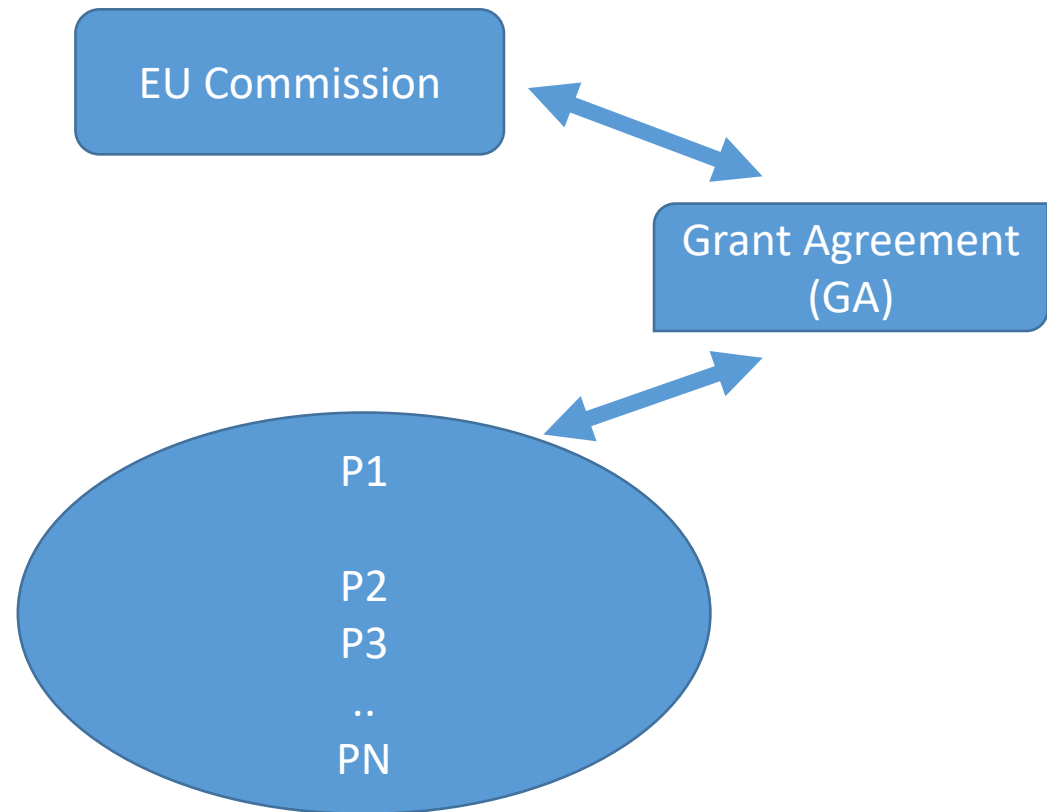


Consortium vs Grant Agreements

Consortium Agreement



Grant Agreement



Consortium Agreement (CA)

- When your proposal is awarded, before signing the Grant Agreement, it is needed to sign a Consortium Agreement (CA) among Project beneficiaries.
- Consortium Agreement is a legal document that regulates the internal work of the Consortium.
- Provisions cannot be in conflict with the Grant Agreement
- Many of the IP and IPR issues that are dealt with in the proposal should be reflected in the consortium agreement.
- The preparation costs of CA are not eligible for funding, but any costs incurred in revising the CA during the project period can be eligible.

Consortium Agreements

- Generally holds below provisions;
 - **General provisions:** definitions, entry into force, duration, applicable law etc.
 - **Obligations of partners:** compliance with deadlines for deliverables and reports, information obligations, participation in meetings etc. and consequences of non-compliance
 - **Internal organisation and decision-making:** composition and duties of bodies (corresponding to the size of the consortium), meetings, voting rules etc.
 - **Financial provisions:** allocation of funding and transfer to the partners (e.g. payment of pre-financing in instalments), handling of receipts and financial losses etc.
 - **Provisions on the handling of intellectual property rights:** more detailed information about the consortium's ability to specify the handling of intellectual property rights, access rights and project results can be found under "Downloads" (see below).
 - **Other issues:** liability, non-disclosure, dispute resolution etc.

Model Consortium Agreements (CA)

- Model Consortium agreements have not been developed/endorsed by European Commission
- Can be a good model to start negotiations for final consortium agreements; for example DESCAs
- DESCAs are only a model – Consortium can adapt it to the needs of your project!
- there are also other CA models, e.g. MCARD, but the DESCAs model presented as the most suitable model for universities and research institutes is DESCAs (includes many essential provisions, e.g. on rights, liabilities and publishing)

DESCA

- DESCA (Development of a Simplified Consortium Agreement) is a simple and comprehensive model Consortium Agreement.
- The modular structure of DESCA, with various options and alternative modules and clauses, provides maximum flexibility.
- DESCA is useful especially for the less experienced EU research grant administrators without legal background and/or with limited access to the legal support services in their own institutions. /stakeholder consultations

Grant Agreements

- Signing the GA the consortium, means that all project partners, commit to implementing the project
- GA is signed by the coordinator and by the European Commission and other parties sign an Accession form
- GA is signed by duly authorized representatives of the parties
- GA sets down terms related to funding between the European Commission and project partners
- The European Commission provides the model GA – non-negotiable

Key Parts of a Grant Agreement

- Preamble – Participants
- Chapter 1 – General
- Chapter 2 – Action (name, acronym, start and duration of project etc.)
- Chapter 3 – Grant (max. amount and calculation of grant, funding rate(s), eligible costs)
- Chapter 4 – Rights and obligations of the parties (e.g. third party costs, documentation obligations, reporting and payments, checks/reviews/audits and management of intellectual property)
- Chapter 5 – Division of roles and responsibilities (within the consortium)
- Chapter 6 – Rejection of costs, reduction of the grant etc.
- Chapter 7 – Final provisions

Annexes of the Grant Agreement

- The Grant Agreement includes the following Annexes:
 - Annex 1 Description of the action
 - Annex 2 Estimated budget for the action
 - 2a Additional information on the estimated budget
 - Annex 3 Accession Forms
 - Annex 4 Model for the financial statements
 - Annex 5 Model for the certificate on the financial statements
 - Annex 6 Model for the certificate on the methodology
 - Annex 5 Specific rules in Draft MGA

Main IP Issues in a Consortium and Grant Agreement

- Confidentiality
- Agreement on Background (e.g. positive or negative list)
- Access Rights
- Ownership / Joint Ownership of Results
- Protection of Results
- Exploitation of Results

Main IP Issues in a Consortium Agreement

- **Background:** use of so called '**positive**' and '**negative**' lists.
- **Results** including how they will be owned, protected and exploited.
- **Access Rights** including access to background and results 'needed' in the project and for exploitation.
- **Affiliates** and their access to background and results.
- **Termination** including survival of rights and obligations
- **Sector specific conditions** e.g. those relating to software

IP Provisions in the Grant Agreement

- The IPR regulations can be found in Section 3 (Rights and obligations related to background and results) of the H2020 Annotated Model Grant Agreements (Articles 23a - 31) New Draft AGA (ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE) ANNEX 5 SPECIAL IPR RULES
- SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS
- ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY
- Beneficiaries that are universities or other public research organisations must take measures to implement the principles set out the Code of Practice on the management of intellectual property in knowledge transfer activities.

Consortium Agreement – Confidentiality

- how materials will be identified as being confidential,
- who will have access to them,
- how these individuals will know they are confidential;
- the duration of confidentiality
- the terms under which information will be disclosed; e.g. If through scientific publications with a period in which partners can object to the planned publication.

IP Provisions in the Grant Agreement

- Management of intellectual property (Article 23.a) and Ownership of the Results (Article 26.3)
- Address the issue of consortium management of IP with a particular emphasis on ensuring that IP rights to foreground can be claimed, background can be controlled and exploitation ensured.
- For PROs; Code of Practice (regarding the IP Policy recommendations for PROs)

IP Provisions in the Grant Agreement

- Background (Article 24 — Agreement On Background)

Background is defined by the GA as: any data, know-how or information – whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights – that:

- Is held by the beneficiaries before they accede to the Agreement, and
- Is needed to implement the action or exploit their results.

Partners need to agree what is needed to implement the project. This task should take place during proposal preparation using an NDA to aid open information exchange.

Agreement on the Background

- Agree on background before GA is signed
- Ensure Project partners in consortium have access rights to what is needed for implementing the action (and then exploiting its results)
- Requests for additional background during project duration and up to one year after the end project
- Different time frame can be negotiated
- Requests need also be in writing

Agreement on the Background

Consortium Agreement

- Project partners must identify and agree (in writing) on background for project ('agreement on background')
- Free to identify background as long as information needed for the project is available and action tasks can be fulfilled
- Agreement may take any form (e.g. positive list, negative list, excluding specific elements etc.)
- Separate agreement or part of the consortium agreement

Annotated MGA

- The beneficiaries must identify and agree (in writing) on the background for the action ('**agreement on background**').
- 'Background' means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that:
 - (a) is held by the beneficiaries before they acceded to the Agreement, and
 - (b) is **needed** to implement the action or exploit the results

Background vs Foreground

Background

- IP in any format
- Owned by any of the Project partner
- Needed for
 - Carrying out Project tasks
 - Using the «results»
- Ownership doesn't change

Foreground

- IP contained in all the new «Results» (whether or not they can be protected)
 - Generated within the collaborative project
 - During the life-time of the project.
- Owned by the party that created them.
- In case 'co-creation' the foreground/ results may be jointly owned by two or more partners.

Article 24, AMGA



Questions to Assess Background

- Are you bringing any IPR to this project?
- What does it include?
- Are you able to provide free access rights to all project's partners during the project?
- Are you able to provide future rights of use after the project is completed?
- Are there any requirements from your side with regards to the management of this IPR? (for example ownership, employee contracts etc)
- If so, what are these requirements?

Access Rights

- Background:
 - Making IP rights available to the Project partners is «giving Access rights»
 - A formal agreement should be arranged; it can be arranged in the form of «Waiver» or «licensing of the rights».
- Foreground
 - Parties should consider better exploitation of project «results»
 - Can be transferred to the other Project partners, and to the affiliate of the partners (for exploitation)
- Requests for access to **project results** may be made **up to one year after the end of the project.**

Article 25 and 31, AMGA



Questions to Assess Foreground

- Do you foresee that you will develop, or be involved in the development of new IP in the scope of the project?
- If you do, how would you be interested in protecting this IPR?
- In case of mutual development of IP with other project's partners, what would be your requirements in regards to protection of the developed IP?

Questions to Assess Foreground

- In case of joint ownership, how do you expect it to be treated? Do you have any specific requirements?
- In case the IPR developed by you during the scope of the project is linked to existing IPR that you have (prior to the project) – what are your IPR management plans / requirements?
- Is there any 3rd party (external to the said project) that is involved in any of your IP, which is relevant to the project? If so, how do you foresee the management of the IPR under these circumstances?

Access Rights

Purpose	Access Rights to Background	Access Rights to Results
for project implementation	royalty-free, unless agreed otherwise before acceding to the GA	royalty-free
for exploitation of results	fair and reasonable conditions (including royalty free)	fair and reasonable conditions

Article 25, AMGA

Article 31, AMGA

Ownership

- Project results belong to the project partner (beneficiary) who generated them.
- Project results may be generated jointly by several partners. In this case all project partners involved in generating the results have joint ownership if it is not possible to:
 - establish the respective contribution of each partner OR
 - separate the results for the purpose of obtaining their protection.
- The joint owners must specify the provisions for exercising their joint ownership in writing in a 'Joint Ownership Agreement'. They may also agree on an alternative to joint ownership (e.g. transfer of sole ownership to one of the joint owners).
- Unless otherwise agreed, each joint owner may grant non-exclusive licences to third parties, provided that the other joint owners are given:
 - **at least 45 days advance notice AND**
 - **fair and reasonable compensation.**

Protection of project results

- Each project partner must adequately protect the results they created, for an appropriate period and with appropriate territorial coverage if:
 - the results can reasonably be expected to be commercially or industrially exploited AND
 - protecting them is possible, reasonable and justified under the circumstances at hand.
- In this context, the project partner must consider both its own legitimate interests and those of the other partners.
- Costs for protecting the Project results may be eligible costs.

Exploitation of project results

- (a) using them in further research activities (outside the action);
 - (b) developing, creating or marketing a product or process;
 - (c) creating and providing a service, or
 - (d) using them in standardisation activities.
-
- Each project partner must take relevant measures to exploit the project results (either by themselves or others). This obligation remains in force for the duration of the project and up to four years after the end of the project.

Spectrum of Possible Project Results



(source: European Commission)

Transfer Ownership of the Results

- AMGA Article 30, Transfer and licensing of results
- Each beneficiary may transfer ownership of its results.
- Beneficiary must give at least 45 days advance notice to the other beneficiaries that still have (or still may request) access rights to the results. Any other beneficiary may object within 30 days of receiving notification, if it can show that the transfer would adversely affect its access rights.
- In this case, the transfer may not take place until agreement has been reached between the beneficiaries concerned.

Transfer Ownership of the Results

- Each beneficiary may grant licences to its results.
- Exclusive licences for results may be granted only if all the other beneficiaries concerned have waived their access rights !!
- EU Agencies should be informed on the intended licensing and detailed conditions, and they have 60 days right to object the licensing decision.
- Possible rejection by EU; for example to third parties established in a non-associated third country.

Questions to Assess IP Protection for Results

- How will you exploit the results?
- In case you are the sole owner or a joint owner of the IPR developed in the project, will you enable free access rights to the partners once the project is through? If so, for how long?
- Are there any technology licensing considerations which are relevant to this project?

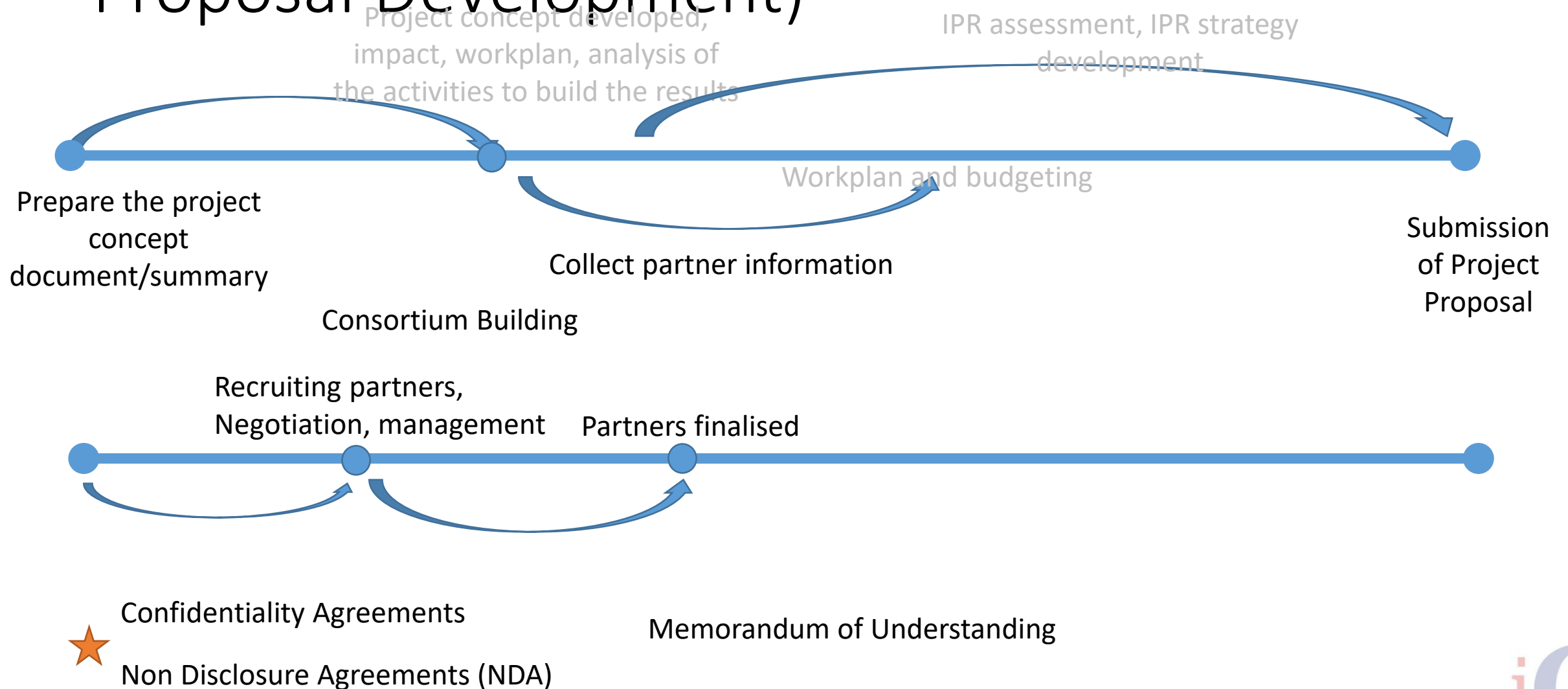
GA IPR summary: Results

Ownership	Beneficiary generating the results (AMGA, Article 26.1) Joint-ownership in specific circumstances (AMGA, Article 26.2)
Protection	If results capable of commercial/industrial exploitation (AMGA, Article 27.1) If no protected, EU may assume ownership (AMGA, Article 27.2)
Exploitation	Best efforts obligation; WP may foresee additional obligations (AMGA, Article 28.1)
Transfer and exclusive licences to a third country	EC may object (competitiveness, ethical principles, security) (AMGA, Article 30.3)
Dissemination	Open access to scientific publications and under certain conditions to research data (AMGA, Article 29.2, 29.3)

Key IP Issues in Collaboration Projects

- Confidentiality
- Background selection
- Access rights
- Ownership / joint ownership of results
- Legal protection of results
- Exploitation of results and access right

Timeline of Project Proposal (Concept & Proposal Development)



IP in the Concept Stage

- Main concern is Exchange of confidential information among the project partners
- Once the Project concept is developed, confidentiality issues should be regarded, while communication with the partners.
- Memorandum of Understanding can be used to manage partners involvement during the proposal preparation stage

Non Disclosure Agreements (NDA)

- Non Disclosure Agreements are confidentiality agreements among Project partners
- Helps partners to secure themselves for the information they shared with the partners
- Should be introduced in the concept development stage
- Guidance for non experienced partners with confidentiality instructions to follow

Non Disclosure Agreements (NDA)

- The confidential information;
- Who has access to it;
- What they may do with it;
- how it will be kept confidential;
- how long it will be kept confidential;
- (penalties for breaking the agreement)

Memorandum of Understanding (MoU)

- MoUs are agreements in the form of legal documents.
- Same affect as «Letter of Intent», agreement on good faith among the signatories, on the basis that it is a fair and honest representation of their intentions.
- **an MoU should identify:**
 - protocols for communication;
 - information exchange;
 - reporting;
 - confidentiality issues, and
 - modifications and conditions for terminating the agreement.